

State puts vehicles up for auction

Gov. Jack Markell has mandated a 20 percent reduction in Delaware's fleet

By J.L. MILLER • The News Journal • May 20, 2009

If you're looking for a used car, the state of Delaware has a deal for you.

It probably has a few miles on it -- say, 75,000 or so -- but you might get it cheap if you don't get auction fever and bid too high.

The state, through a New Jersey-based auction house, is selling used cars, vans, pickups and other vehicles to meet Gov. Jack Markell's mandate to reduce the state's fleet by 20 percent as a cost-saving measure.

One online-only auction is under way now and runs until 7 p.m. Thursday, with another to run Saturday through May 28. The vehicles in both sales can be seen at www.govauctionlistservices.com.

"The state of Delaware has really good stuff," said Stephan Miranti, owner of Auction Liquidation Services in Eatontown, N.J., which has a contract to auction off Delaware's surplus stuff.

Miranti's firm even sold a Delaware State Police Bell 407 helicopter online for \$927,000, a 1996 Gillig Phantom 40-foot bus for \$4,400 and an Ocean Master construction barge for \$46,351.

Since Markell's fleet-reduction order, the state has sold 197 vehicles and brought in \$519,462, according to figures provided by the state Office of Management and Budget.

Another 202 vehicles are listed by OMB as awaiting auction, and agency spokeswoman Catherine Bakerian said further sales are planned. The state has not set a target amount that it hopes to net from the sales.

By the time the 20 percent reduction is achieved, the total state fleet of 4,900 vehicles -- including those operated by schools, state police and the Department of Transportation -- is expected to drop to 3,920, Bakerian said.

The sale of the vehicles is "enough to be painful but not enough to stop critical services from being delivered," Markell aide Brian Selander said.

Miranti's auction house receives 2.86 percent of the proceeds for on-site auctions that require the services of an auctioneer. The firm receives 2.26 percent of the sale proceeds for its online-only auctions.

"Delaware is really a very high-volume state. We probably do \$1 million, \$1 million-plus a year," Miranti said.

The current auction and the upcoming one are both online-only. Prospective bidders in the current auction had an opportunity Tuesday to inspect those vehicles, which are being stored at the Fleet Services facility at the Stockley Center south of Georgetown.

Bidders in the upcoming auction will have an opportunity to inspect those vehicles from 10 a.m. to 3 p.m. May 27 at Delaware Surplus Services, at 1 Wilmington Ave. in Delaware City.

The current auction features a variety of vehicles, many of them Ford Taurus sedans and Dodge Caravans. A 1996 Dodge Ram with a snowplow also is on the block: The top bid Tuesday afternoon was \$3,000.

All of the vehicles are sold as-is, where-is, with no warranties. However, there are certain advantages to buying a used government car at auction if you do your homework.

Government surplus cars generally are well-maintained and serviced regularly, and buyers don't face the possibility of buying a vehicle whose odometer has been rolled back or one that has a bogus title.

"People have a little bit of confidence in a government car," Miranti said. "You know the wheels aren't going to roll off when you're driving down the road."

In the current auction, for example, Lot No. 459 is a 2002 Ford Taurus SE four-door sedan with 80,993 miles. The top bid Tuesday afternoon, with two days left in the auction, was \$2,302. According to the Kelly Blue Book, a standard guide to car prices, the retail price of that car in excellent condition would be \$5,135. However, that would be the typical amount a dealer would ask and a starting point for negotiation.

The only description of the condition of Lot 459 -- and of all the other surplus vehicles being sold -- is "runs." So it's a good idea for prospective buyers to inspect the vehicles before bidding, Miranti said.

While average citizens are welcome to bid and many do, a lot of the vehicles are bought by companies that export them to other countries, Miranti said. Others are bought by car dealers who recondition and resell them.

Miranti's firm also sells New Jersey government-surplus cars from 40 municipalities and seven major counties.

The current economic downturn has been good for the auction house as Delaware and other jurisdictions trim their fleets to save money.

"Everybody's downsizing," Miranti said. "Everybody's searching for dimes and nickels today."